



*Washington, D.C.
Metropolitan Area Chapter*

Congresswoman Norton and esteemed members of the Subcommittee on Economic Development, Public Buildings and Emergency Management, I wish to express my sincere appreciation for the opportunity to appear before you today to discuss “Doing Business with the Government: The Record and Goals for Small, Minority and Disadvantaged Businesses.” I currently serve as President of the Washington, DC Chapter and member of the Board of Directors of the National Association of Minority Contractors (NAMC). NAMC was established in 1969 to address the needs and concerns of minority contractors and to create parity in the construction industry. We have aggressively pursued equity in contracting for small, minority and disadvantaged businesses and created venues to review the procedures in place with the Federal Government, local governments and the private sector. One of our primary objectives is to continuously seek legislative action of minority business issues; to advocate for change in laws that hinder minority businesses access to, or prevent minority business growth in the nation’s \$400+ billion/year construction industry.

In March, 2006, the Washington, DC chapter hosted the “Base Realignment and Closure Tri-Service Industry Outreach Forum” to provide information to small and minority businesses for bidding on the 5-year \$7 Billion Military Construction Workload Contracts for the United States Army Corps of Engineers (USACE) (Baltimore District), NAVY and Air Force. The forum created a venue for small businesses, minority businesses, 8A businesses, HubZone businesses, women-owned businesses and veteran-owned businesses to identify opportunities for joint ventures, partnerships, contracting and subcontracting PRIOR to bidding period. These venues have created opportunities for non-traditional dialog between the Federal Government, prime contractors and subcontractors exclusive for recruiting small and minority businesses for inclusion on teams for bidding. We propose and recommend similar forums to be conducted throughout the Federal Government to increase the level of small and minority business participation.

NAMC-WMAC met with the U. S. Department of Commerce's Minority Business Development Agency whose mission statement indicates that it was designed to empower minority business enterprises for the purpose of wealth creation; to achieve entrepreneurial parity for MBEs by actively promoting their ability to grow and compete in the global economy and address challenges faced by MBEs by developing programs that provide the "keys to entrepreneurial success." However, the measurable success of its programs and services are not available. The State of Minority Business Enterprises Report issued in 2006; an overview of the 2002 survey of business owners indicated a great disparity of the average gross receipts of minority firms which was \$162 thousand, considerably lower than the \$448 thousand average gross receipts of non-minority firms. It also indicated that during the reporting period gross receipts of MBE decreased by 16 percent and over the same time the average gross receipts of non-minority firms remained level. Again, it is imperative that a recent measure of the success of MBE programs should be tantamount to Federal Government's agency dedicated to servicing MBEs and should include economic indicators of MBE business success with the Federal Government agencies itself.

NAMC is also working in partnership with the Associated General Contractors of America and the with the U. S. Department of Transportation to create a Disadvantaged Business Enterprise (DBE) Contractors' Tool Kit which is meant to be a practical guide in establishing a contractor's DBE compliance program as implemented by the states and local governments where they work. The Tool Kit provides information ranging from getting started to assessing one's performance in meeting its own program. NAMC-WM recommends this Committee's review of the model and consideration for expansion to its oversight agencies.

NAMC-WMAC sits on the MBE Advisory Committee established by the Washington Area Sanitation Commission to review proposed legislative by the State of Maryland General Assembly for the establishment of a mandatory minority business utilization program. The Committee prepared and submitted comments on the proposed legislation and the Commissions' proposed Standard Operating Procedures for the MBE Program. Again, NAMC suggests the establishment of a SBE/MBE Advisory Committee which can assist in the assessment of existing

programs and recommendations for improvement and/or implementation of a MBE program within these agencies.

In conclusion, NAMC-WMAC recommends the Subcommittee on Economic Development, Public Buildings and Emergency Management consider the following:

- Establish an MBE Advisory Committee to review the existing MBE program; its effectiveness and measure of its success
- Conduct a study of the existing MBE programs by each Federal agency and its effectiveness
- Host targeted forums created by Federal agencies to reach the small and minority business community; and, follow-up reports of the rate of success.
- Conduct extensive monitoring and reporting of small and minority business participation and publish its finding which include recommendations for penalties for non-compliance

NAMC stands ready to assist with the further pursuit of your desire to increase the level of participation of Small and Minority business with the Federal Government.

Prepared and Submitted by:

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